

**The Detroit Edison Company**  
**Case No. U-13808**  
**Proposal for Decision Fact Sheet**

- |    |   |               |
|----|---|---------------|
| 1. | Proposed Revenue Deficiency   | \$253,836,000 |
| 2. | Regulatory Asset Recovery Surcharge Revenue:  |               |
|    | 2004  | \$14,863,000  |
|    | 2005  | \$21,433,000  |
|    | 2006  | \$79,108,000  |
| 3. | Production Fixed Cost Recovery from Third Parties<br>(Stranded Cost)  | \$93,113,000  |
| 4. | Rate of Return on Common Equity   | 11.00%        |
| 5. | Overall Rate of Return  | 7.23%         |
| 6. | Equity Percentage of Permanent Capital  | 46%           |
| 7. | Customer Choice Volumes   | 7,565 GWh     |
| 8. | Historical Stranded Cost Recovery – Staff recommended a surcharge of 2 to 4 mills to recover historical stranded costs from choice customers. The PFD adopted Staff’s position on this issue. |               |
| 8. | <u>Resolution of Selected Major Issues</u>  |               |
| a. | Recovery of Special Manufacturing Contract Discounts – Edison requested authority to recover these discounts from other customers. The PFD denied Edison’s request.                           |               |
| b. | Recovery of Control Premium – The PFD allowed the recovery of the control premium as adjusted by Staff.   |               |
| c. | Test Year – Edison’s fully projected test year was rejected; Staff’s historical test year adjusted for known changes was adopted in the PFD.  |               |

If you would like a full copy of the PFD, you can find it here:

<http://www.cis.state.mi.us/mpsc/orders/alj/2004/08-27-04.pdf>